

## U.S. Department of Housing and Urban Development

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### Special Attention of

All Multifamily Hub Directors  
All Program Center Directors  
All Project Managers  
All Field Office Directors

### Notice H 08-08

Issued: October 2, 2008

Expires: October 31, 2009

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#### Cross References

Handbook 4571.2 (811)

Handbook 4571.3 REV-1 (202)

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### SUBJECT:

Fiscal Year 2008 Annual Operating Cost Standards – Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities Programs

Attached are the Operating Cost Standards (OCS), which HUD Office staff should use for calculating the annual per person/per unit amount of a Project Rental Assistance Contract (PRAC) when making Fiscal Year 2008 subsidy fund reservations for Capital Advance applications under the subject programs.

These Standards have been updated using the National Consumer Price Index (CPI) of housing changes for 2008. Each HUD Office should adjust these Standards downward to accommodate any lower cost area within its jurisdiction when locally developed cost data so indicate.

Historically, some areas significantly exceed the National CPI average. To assure that those areas are not precluded from program participation, each HUD Office noted below is authorized to adjust its annual OCS by up to the additional percentage shown: Chicago – 2.3 percent; Miami – 10.5 percent; New York – 36.9 percent; Philadelphia – 16.3 percent; Los Angeles – 27.9 percent; San Francisco – 27.5 percent; and Seattle – 17.3 percent.

To determine the total amount of an annual PRAC, multiply the OCS by the number of residential spaces in a group home or by the number of revenue-producing units in either an independent living facility or an elderly project. For the six cities listed above, the result thus obtained would be multiplied by part or all of the additional percentage, as needed.

In accordance with the waiver authority provided in the Fiscal Year 2008 HUD Appropriations Act, the Secretary is waiving the following statutory and regulatory provisions in the FY 2008 Program SuperNOFA for the Section 202 and Section 811 Programs.

The term of the PRAC is reduced from 5 years to 3 years. The Department anticipates that, at the end of the contract terms, renewals will be approved subject to the availability of funds. In addition to this provision, the Department will reserve PRAC funds based on 75 percent rather than 100 percent of the current OCS for approved units in order to take into account the average tenant contribution toward rent.

Should you have questions, please contact Adia Hayes at (202) 708-3000, Extension 2463.

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Brian Montgomery, Assistant Secretary for  
Housing –Federal Housing Commissioner

Attachments

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**Distribution: W-3-1,**

Previous editions are obsolete

form HUD-21-B (3/80)

**NATIONAL AVERAGE FOR 2007 – 210.9**

<b><u>CITIES</u></b>	<b><u>ANNUAL AVERAGE</u></b> <b>2007</b>	<b><u>PERCENTAGE</u></b> <b><u>INCREASE</u></b>
Chicago-Gary-Kenosha, IL-IN-WI	213.2	2.3
Los Angeles-Riverside- Orange County, CA	238.8	27.9
Miami-Fort Lauderdale, FL	221.4	10.5
NY-Northern NJ-Long Island, NY-NJ-CT-PA	247.8	36.9
Phil-Wilmington-Atlantic City, PA-NJ-DE-MD	227.2	16.3
San Francisco-Oakland- San Jose, CA	238.4	27.5
Bremerton, WA Seattle-Tacoma	228.2	17.3

**FISCAL YEAR 2008**  
**Operating Cost Standards**  
**Section 202 and 811**

**OFFICE**

**2008 OPERATING COST STANDARDS**

**BOSTON HUB**

Boston	\$6,738
Hartford	\$6,348
Manchester	\$5,125
Bangor	\$5,273
Burlington	\$5,139
Providence	\$6,278

**NEW YORK HUB**

New York City	\$7,628
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**BUFFALO HUB**

Buffalo	\$5,370
Albany	\$5,499

**PHILADELPHIA HUB**

Charleston	\$5,045
Newark	\$6,603
Camden	\$5,986
Pittsburgh	\$4,886
Philadelphia	\$6,018
Wilmington	\$5,565

**BALTIMORE HUB**

Baltimore	\$5,239
Richmond	\$4,684
Washington	\$5,334

**GREENSBORO HUB**

Columbia	\$4,165
Greensboro	\$4,521

**ATLANTA HUB**

Atlanta	\$4,261
San Juan	\$4,165
Louisville	\$4,521
Knoxville	\$4,164
Nashville	\$4,004
Memphis	\$4,261

**OFFICE****2008 OPERATING COST STANDARDS****JACKSONVILLE HUB**

Jacksonville	\$4,129
Miami	\$4,420
Tampa	\$3,904
Birmingham	\$4,165
Jackson	\$4,292

**CHICAGO HUB**

Chicago	\$5,074
Indianapolis	\$4,814

**COLUMBUS HUB**

Cincinnati	\$4,847
Cleveland	\$5,401
Columbus	\$4,785

**DETROIT HUB**

Detroit	\$5,398
Grand Rapids	\$4,490

**MINNEAPOLIS HUB**

Milwaukee	\$4,911
Minneapolis	\$5,239

**FT. WORTH HUB**

Ft. Worth	\$4,521
Albuquerque	\$4,423
Lubbock	\$4,360
Houston	\$4,490
Little Rock	\$3,873
New Orleans	\$4,036
Shreveport	\$4,164
San Antonio	\$4,149

**KANSAS CITY HUB**

Des Moines	\$4,394
Kansas City	\$4,911
Topeka	\$4,326
Omaha	\$4,423
Oklahoma City	\$4,164
Tulsa	\$4,267
St. Louis	\$5,175

**OFFICE****2008 OPERATING COST STANDARDS****DENVER HUB**

Denver	\$4,785
Casper	\$4,064
Fargo	\$4,064
Helena	\$4,423
Salt Lake City	\$4,196
Sioux Falls	\$4,036

**SAN FRANCISCO HUB**

Honolulu (Guam)	\$6,278
Reno	\$5,074
Phoenix	\$4,423
Sacramento	\$5,630
San Francisco	\$6,241

**LOS ANGELES HUB**

Los Angeles	\$5,859
San Diego	\$5,432
Santa Ana	\$5,859

**SEATTLE HUB**

Anchorage	\$8,958
Portland	\$4,684
Boise	\$4,555
Seattle	\$4,979
Spokane	\$4,877